



WISCONSIN LEGISLATIVE COUNCIL AMENDMENT MEMO

2001 Assembly Bill 510	Senate Amendment 1
Memo published: March 11, 2002	
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Senate Amendment 1 was recommended for adoption by the Senate Committee on Universities, Housing, and Government Operations by a vote of Ayes, 6; Noes, 0.

Restrictions on Including Annexed Land in Tax Incremental District (TID)

Assembly Bill 510 restricts the circumstances under which land that is annexed from a town may be included in a TID. The bill provides that a TID may not include territory if that territory was not within the boundaries of the city or village on January 1, 2002, unless: (1) three years have elapsed since the territory was annexed or the city or village enters into a cooperative boundary agreement or other agreement relating to the annexation with the town; or (2) the city or village agrees to pay the town five years of property taxes levied by the town and the value of the annexed land included in the TID at the time of the annexation. [See SEC. 7 of the bill.] The bill also provides that property taxes paid by a city or village to a town on the annexed land are an eligible TID project cost. [See SEC. 2 of the bill.]

Items 1 to 3 of the amendment, in response to concerns raised by the City of Green Bay, provides that the annexing city or village may “pledge” to pay the town five years of property taxes levied by the town on the value of the annexed land. Further, under the amendment, the city’s or village’s pledge is enforceable by the town. Reference to a “pledge” by the city or village addresses the concern that the use of “agrees” in the original bill requires both the city or village and the town to agree that the city or village pay the required property taxes to the town in order for the annexed territory to be included in a TID; under the amendment, the city or village may unilaterally pledge to do so, without the agreement of the town, but the pledge is enforceable by the town.

Cancelled Delinquent Taxes as Eligible Costs for Environmental Remediation TID

Under item 4 of the amendment, delinquent taxes that have not been recovered by any other means become an eligible cost for environmental remediation TIDs.

Maximum Life of Environmental Remediation TID

Currently, the maximum life of an environmental remediation TID is the shorter of: (1) 16 years after the Department of Revenue (DOR) establishes the tax incremental base; or (2) the period ending when all eligible costs have been paid. The amendment extends the 16-year period to 23 years. [See item 5.]

Effective Date and Initial Applicability

Items 6, 7 and 8 of the amendment address initial applicability and effective date provisions of the proposal in response to concerns raised by the City of Green Bay and resulting from consultation with the DOR. In general terms, with the amendment, the initial applicability and effective date provisions of the bill are as follows:

Effective Date

1. The remedial provisions, the substantial compliance provision, and the provisions affecting environmental remediation TIDs take effect on the first day of the fourth month after publication.
2. The DOR fee and position provisions take effect on January 1, 2002.
3. The substantive provisions (with the exception of those indicated in items 1. and 2., above), take effect on October 1, 2003.

Initial Applicability

1. The substantial compliance provision and the provisions affecting environmental remediation TIDs first apply to districts created on the first day of the fourth month after publication.
2. The provisions relating to TID project plan amendments first apply to amendments that become effective on October 1, 2003, with the exception of amendments that violate the aggregate value of property that may be included within a TID district (that provision first applies to amendments that become effective on the first day of the fourth month after publication).
3. The substantive provisions (with the exception of those listed under items 2. and 3., above) first apply to districts created on October 1, 2003.
4. The remedial provisions apply to existing and future TIDs.

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